



NEWS RELEASE

United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

Wednesday, October 26, 2005
<http://sbc.senate.gov>

For Immediate Release:
Contact: Chris Chichester
202-228-5843

**SNOWE, KERRY, VITTER, LANDRIEU ENDORSE SHORT-TERM
STEPS TO IMMEDIATELY AID HURRICANE VICTIMS**

Small Business and Entrepreneurship Committee to Hold Oversight Hearing

(Washington, DC) - Senator Olympia J. Snowe (R-Maine), Senator John Kerry (D-Massachusetts), Senator David Vitter (R-Louisiana) and Senator Mary Landrieu (D-Louisiana) the Chair, Ranking Member and Members, respectively, of the Senate Committee on Small Business and Entrepreneurship, today endorsed the recommendations made by a staff delegation they dispatched to the areas devastated by Hurricanes Katrina and Rita. The Committee staff visited Ft. Worth, Texas and Baton Rouge, Louisiana last week.

"As the Chair of the Senate Committee on Small Business and Entrepreneurship, I strongly urge the Small Business Administration to quickly implement our steps to help the Gulf Coast region rebuild and recover after the destruction caused by Hurricane Katrina and Hurricane Rita," said Senator Snowe. "I am committed to working with the SBA to design a future disaster response system that will prevent many of the problems the agency is now experiencing. We must ensure that every American affected by these Hurricanes has the resources to begin rebuilding their lives and their businesses."

"It's clear that the Small Business Administration is not doing what it takes to help small businesses owners in the Gulf Coast, and that has to change immediately," said Senator Kerry.

"These steps are essential to expediting the SBA applications from hurricane victims," said Senator Vitter. "I look forward to our upcoming hearing in this Committee to explore additional administrative and legislative options to speed up the lagging approval process. The SBA funding is necessary to get businesses and homeowners back to South Louisiana."

"The SBA is failing the people of the Gulf Coast," said Senator Landrieu. "I commend the Committee Leadership for taking this initiative. These recommendations which will go a long way to providing the real assistance our small business owners so desperately need. The hard-working, taxpaying people of Louisiana deserve real help from the federal government, not uncertainty and frustration."

Senator Snowe noted the Committee on Small Business and Entrepreneurship has tentatively

scheduled a hearing for November 8 to learn how the SBA can improve its response to natural disasters. The witnesses, location and time will be announced shortly.

The Snowe-Kerry-Vitter-Landrieu short-term recommendations are:

- * The SBA should hire 1,000 additional employees for the Ft. Worth processing center, including business loan officers and data entry staff to meet the current demand. A disaster application may take 8-10 days before loan processing even begins.
- * The SBA should hire 450 additional Loss Verification Officers to analyze the damages of homes and businesses in Louisiana and Mississippi.
- * The SBA should simplify credit tests for disaster loan applications to make them less burdensome. By law, the interest rates on a home, business or economic injury loan depend on whether each applicant has credit available elsewhere. The SBA has determined that over 97% of disaster loan applicants do not have credit available elsewhere.
- * The SBA should allow loan applicants with missing information in their file to have 14 days, instead of the newly instituted 7 days, to return their documentation.
- * Allow Small Business Development Centers to apply for additional non-matching funds such as "portability grants" that are larger than \$100,000.
- * The SBA should hire at least five additional full-time Procurement Center Representatives and five additional full-time Commercial Market Representatives, as well as leverage the personnel and expertise of Procurement Technical Assistance Centers (PTACs) to help small businesses with prime and subcontracting opportunities.
- * The SBA and its resource partners should increase one-on-one business counseling and services to small businesses affected by a disaster.
- * The SBA should enhance its disaster loan computer system, the Disaster Credit Management System, to make it more efficient and effective for future disasters, and expedite the implementation of an on-line loan application system.
- * The SBA should better notify the public of application deadline changes.

###